2020 Business Dynamics Statistics (BDS) Release Notes

The 2020 release includes a number of changes and improvements to the BDS. These changes and improvements are listed below.

1. **Existing quality suppression criteria does not allow for 'S' suppressions in the first year of the time series (1978) and the final year of the time series (2020)**

Some cells in the BDS tables will be suppressed due to quality concerns. The criteria utilize prior and subsequent year data to evaluate whether a data cell should be suppressed. As such, there can be no quality suppressions ('S' suppressions) in the first and last year of time series.

2. **Improvements to the vintage consistent algorithms and new tabulations for non-farm activity at the 3 and 4-digit NAICS detail within NAICS 11 (Agriculture, Forestry, Fishing, and Hunting)**

Previous BDS releases contained truncated industry codes for industries that were outside of the scope of the Economic Census. All NAICS out-of-scope to the Economic Census did not have corresponding concordances to allow for assignment of full 6-digit NAICS codes. This led to some NAICS being truncated. All data concordances have since been reconstructed, and all records have been assigned a full valid 6-digit NAICS code.

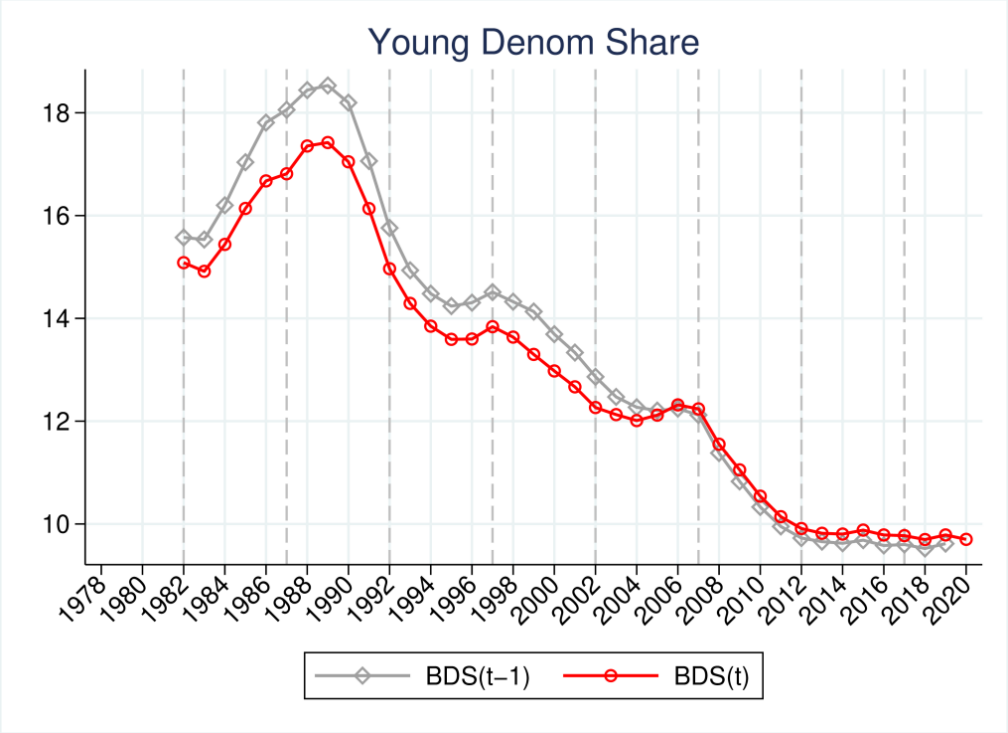
Improvements to the vintage consistent NAICS algorithms allow for 3 and 4-digit NAICS detail within NAICS 11 to be included in the 2020 BDS. Thus, the 2020 BDS now includes tabulations of non-farm activity for the 3 and 4-digit NAICS detail within Sector 11 (Agriculture, Forestry, Fishing, and Hunting). This includes 113 (Forestry and Logging), 114 (Fishing, Hunting, and Trapping), and 115 (Support Activities for Agriculture and Forestry). Industries 111 Crop Production and 112 Animal Production and Aquaculture remain out of scope for both the BDS and County Business Patterns (CBP) and hence are not included in any BDS tables.

3. **Changes in naming conventions for county datasets posted on the BDS website**

For the 2020 BDS release, the naming convention of all county-level CSV datasets published on the BDS website has changed. In the previous release, datasets that provided county-level detail contained "_cty" in the dataset name. For the 2020 BDS, these datasets will follow the naming convention "_st_cty".

4. **Improved longitudinal linking of establishments led to decreased young firm share**

The 2020 Longitudinal Business Database was constructed using improved longitudinal linking methodology. The methodology better leverages historic identification numbers which improved the linking of establishments earlier in the BDS time series. These additional linkages resulted in fewer young firms and establishment births. The change is more pronounced on young firm employment measures than young firm counts since the improved linkages were concentrated among larger establishments. The following graph demonstrates this point, showing the share of average employment (denom) accounted for by young firms in the current (BDS(t)) and prior release (BDS(t-1)).



5. 2020 BDS Explorer v 1.22.1

The newest version of the BDS Explorer contains several improvements:

- Application parameters are now stored in the application URL allowing users to save and share a specific map, chart, or table.
- Users can now select "Measure" in the X-Axis or Group to compare measures with the same units in the same Line Chart, Bar Chart, or Table (not available in the Map view).
- CSV exports have been improved by adding quotes around data fields so the CSVs load into Excel with the correct handling of leading zeros.
- The default display of firm and establishment age categories now shows all available characteristics on application load, where previously only 4 categories would display by default.

6. Changes to BDS resulting from adding quarterly data to the LBD

For re-organizations, we changed how we choose which establishment is the “main” business and contributes its March 12th employment in the LBD. The result is less missing data for Q1, as we tried to always look for non-missing employment values for each quarter.

Potentially better imputed values for March 12th employment for the years 2005-2008 have been incorporated. These new imputed values used a more modern method of looking at prior and post quarters to create an imputed value to fill a hole in the employment time series.

In previous releases, we had given preference to year t+1 employment, as long as it was not missing, even in instances where employment from year t+1 was 0 but current year employment was positive. For the 2020 LBD and BDS we changed this to only give preference to year t+1 employment if it was strictly positive. This resulted in some zero employment values being replaced with positive employment values.

These changes to our longitudinal editing of employment introduced some complexities. It appears to have affected some industry-firm size classes in certain years more than others, causing patterns in a small number of job creation and destruction series to differ from prior BDS releases. We are actively investigating how to reconcile these changes and make improvements for subsequent releases.